GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:3478
ANSWERED ON:11.12.2002
ACQUISITION OF SHIPS
C. SREENIVAASAN

Will the Minister of SHIPPING be pleased to state:

(a) whether the Shipping Corporation of India has recently mooted a proposal to acquire more ships;

(b) if so, the total cost of the ships to be acquired; and

(c) the rationale for such acquisition in view of the ongoing disinvestment proposal of the Shipping Corporation of India?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SU. THIRUNAVUKKARASAR)

(a) Yes, Sir. Shipping Corporation of India Ltd. (SCI) has submitted a proposal to the Government, for acquisition of 2 nos. Very Large Crude Carriers.

(b) As per the proposal submitted to the Government, the Shipping Corporation of India Ltd. (SCI) has assumed an indicative price of US$ 70 million per vessel, which would mean a total investment of about Rs. 679 crores.

(c) The acquisition of these vessels form part of SCI`s acquisition plan during the first year of the 10th Five Year Plan, the outlay for which has been approved by the Planning Commission. Currently, there are no VLCCs in the Indian fleet and oil companies in India have to charter in VLCCs from the International market to cater to their needs. SCI has planned this acquisition with a view to offer Indian flag vessels to the Indian trade, and expects that the acquisition would not hamper the disinvestment process currently going on at SCI.On the other hand, by ordering these vessels the company will have a healthy order book position, which may improve valuation of SCI.